

# SENATE BILL No. 112

## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 36-7-25-6.

**Synopsis:** Property tax liens in tax allocation areas. Provides that the payment obligations of a taxpayer that: (1) is located in a property tax allocation area established by a redevelopment commission; and (2) enters into an agreement after June 30, 2004, with the redevelopment commission that protects the bond or lease obligations of the commission; are enforceable in the same manner as property taxes regardless of whether the agreement provides for a property tax lien. (For agreements made before July 1, 2004, existing law provides that the obligations are enforceable in the same manner as property taxes if the agreement provides for a property tax lien.) For agreements providing for a lien, specifies that the lien attaches: (1) to the property; and (2) on the date; specified in the agreement. For agreements not providing for a lien but to which a lien applies under the new provisions, provides that the lien attaches: (1) to the taxpayer's real property in the allocation area; (2) to depreciable personal property in the area if taxes on such property are included in the taxes allocated in the area; and (3) on the date the agreement was executed. Specifies that a lien attaches without further action by the commission. Provides that a lien that attaches as a result of an agreement with the commission: (1) inures to the benefit of the commission and the taxing units comprising the allocation area; and (2) is superior to all other liens except a first mortgage on real property.

**Effective:** July 1, 2004.

**Dillon**

January 6, 2004, read first time and referred to Committee on Judiciary.



C  
o  
p  
y

Introduced

Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

## SENATE BILL No. 112

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 36-7-25-6 IS AMENDED TO READ AS  
2       FOLLOWS [EFFECTIVE JULY 1, 2004]: Sec. 6. **(a)** A commission  
3       may enter into an agreement with a taxpayer in an allocation area that  
4       limits the taxpayer's rights to challenge the taxpayer's assessment or  
5       property taxes or that guarantees, enhances, or otherwise further  
6       secures bonds or lease obligations of the commission. ~~The~~  
7       **(b) This subsection applies to an** obligation to make payments  
8       under a taxpayer agreement **or any amendment to an agreement that**  
9       ~~guarantee, enhance is made under subsection (a) before July 1, 2004,~~  
10      **and that guarantees, enhances,** or otherwise further ~~secure~~ **secures**  
11      bonds or lease obligations of the commission. ~~under this section~~  
12      **Except as provided in subsections (d) and (e), an obligation**  
13      **described in this subsection** shall be **secured by,** be treated in the  
14      same manner as, **and have the same priority as** property taxes for  
15      purposes of IC 6-1.1-22-13 if, and to the extent that, the taxpayer  
16      agreement **or amended agreement** provides for a property tax lien.  
17      **The property tax lien attaches to the property specified in the**

2004

IN 112—LS 6282/DI 101+



C  
o  
p  
y

1 agreement and is effective as of the date specified in the agreement.  
 2 If the property to which the lien attaches or the effective date of the  
 3 lien is not specified in the agreement, a property tax lien attaches:

4 (1) to the real property of the taxpayer located in the  
 5 allocation area;

6 (2) to depreciable personal property located in the allocation  
 7 area, if and to the extent that the definition of "property  
 8 taxes" under IC 36-7-14-39(a) or IC 36-7-15.1-26(a) has been  
 9 modified in a resolution to include taxes imposed under  
 10 IC 6-1.1 on depreciable personal property; and

11 (3) on the date the agreement or amendment was executed.

12 A lien under this subsection attaches on the effective date of the  
 13 lien, as determined under this subsection, without any further  
 14 action by the commission unless further action is required by the  
 15 agreement.

16 (c) This subsection applies to an obligation to make payments  
 17 under a taxpayer agreement or any amendment to an agreement  
 18 that is made under subsection (a) after June 30, 2004, and that  
 19 guarantees, enhances, or otherwise further secures bonds or lease  
 20 obligations of the commission. Except as provided in subsections  
 21 (d) and (e), an obligation described in this subsection must be  
 22 secured by, be treated in the same manner as, and have the same  
 23 priority as property taxes for purposes of IC 6-1.1-22-13,  
 24 regardless of whether the agreement provides for a property tax  
 25 lien. If the agreement provides for a property tax lien, the lien  
 26 attaches to the property specified in the agreement and is effective  
 27 as of the date specified in the agreement. If the property to which  
 28 the lien attaches or the effective date of the lien is not specified in  
 29 the agreement, or if the agreement does not provide for a property  
 30 tax lien, a property tax lien attaches:

31 (1) to the real property of the taxpayer located in the  
 32 allocation area;

33 (2) to depreciable personal property located in the allocation  
 34 area, if and to the extent that the definition of "property  
 35 taxes" under IC 36-7-14-39(a) or IC 36-7-15.1-26(a) has been  
 36 modified in a resolution to include taxes imposed under  
 37 IC 6-1.1 on depreciable personal property; and

38 (3) on the date the agreement or amendment was executed;  
 39 without any further action by the commission unless further action  
 40 is required by the agreement.

41 (d) If a property tax lien attaches under subsection (b) or (c), the  
 42 lien inures to the benefit of the commission and the taxing units

C  
o  
p  
y



comprising the allocation area in the following proportions:

(1) To the commission, in the same proportion that the property taxes:

(A) owed by the taxpayer for property in the allocation area; and

(B) allocable to the redevelopment district under IC 36-7-14-39(b)(2) or IC 36-7-15.1-26(b)(2);

bear to the total property taxes owed by the taxpayer for property in the allocation area at the time the lien becomes effective.

(2) To the taxing units comprising the allocation area, in the same proportion that the property taxes:

(A) owed by the taxpayer for property in the allocation area; and

(B) allocable to the respective taxing units under IC 36-7-14-39(b)(1) or IC 36-7-15.1-26(b)(1);

bear to the total property taxes owed by the taxpayer for property in the allocation area at the time the lien becomes effective.

(e) A property tax lien that attaches under subsection (b) or (c) is superior to all other liens, except for a first mortgage on any real property subject to the property tax lien.

**C  
o  
p  
y**

